



# ***FMS***

# ***Financial***

# ***Management***

# ***Billing***



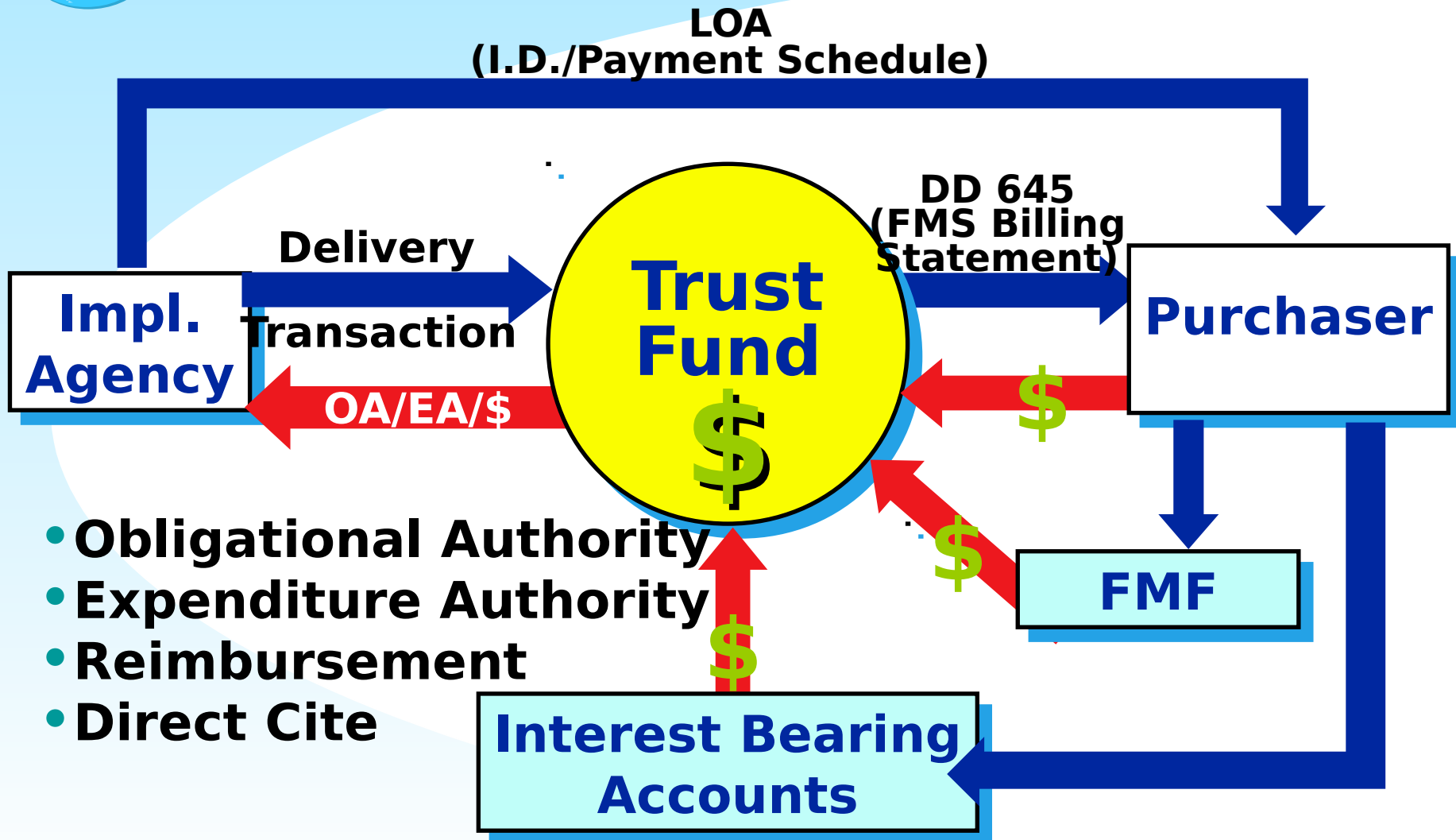
# ***FMS Billing***

## **Key Concepts**

- **By law, we must collect in advance**
- **FMS purchasers are billed quarterly (DD-645)**
- **DD- 645 summarizes activity accomplished plus forecast period**
- **DD-645 data input is by DoD components (via delivery transaction report)**



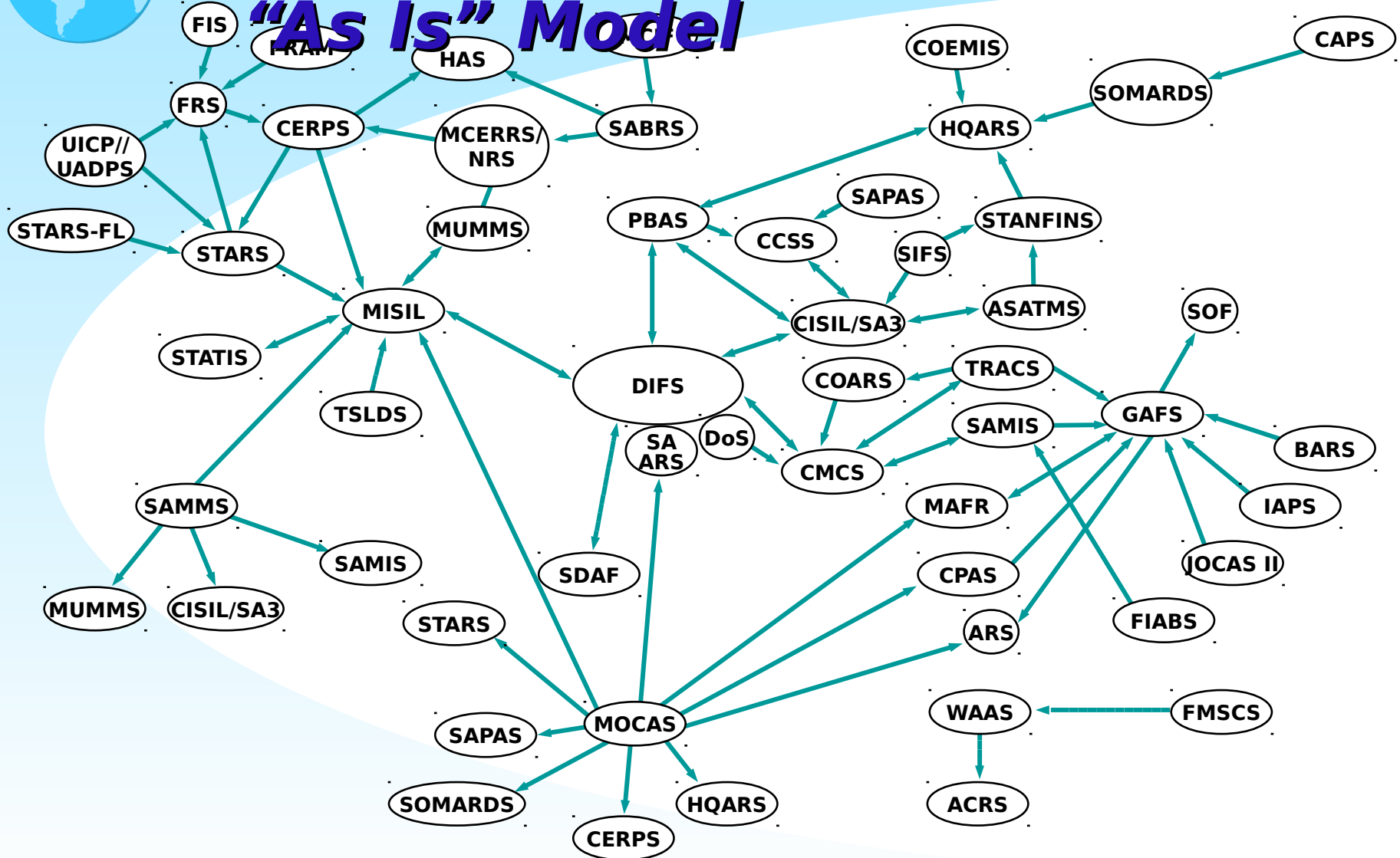
# Flow of Funds





# Security Assistance Accounting

## "As Is" Model





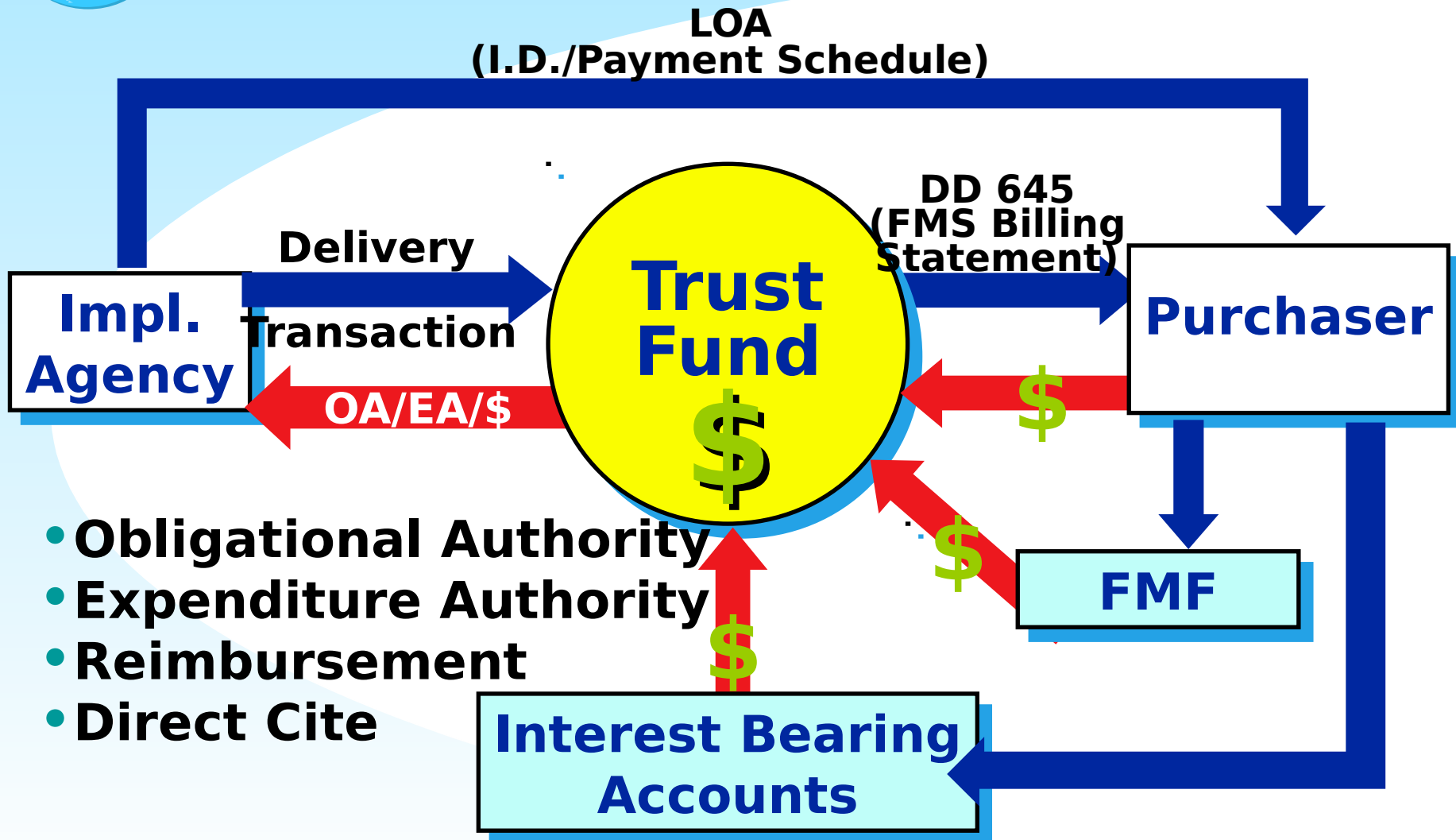
# FMS Delivery Transaction

CARD CODE		MONITOR		SHIPPER/ REPORTING ACTIVITY		PRICE CODE	NATIONAL STOCK NUMBER/PART NUMBER															UNIT OF ISSUE	QUANTITY	X	DOCUMENT NUMBER										
1	2	3	4	5	6		8	9	10	11	12	13	14	15	16	17	18	19	20	21	22				30	31	32	33	34	35	36	37	38	39	40

NUMBER		SUFFIX	SUPPLEMENTAL ADDRESS				MODE SHIPPED	ADJUSTMENT ALLOWANCE CODE	PROGRAM YR	DELIVERY SOURCE	POE CODE	REIMBURSEMENT CODE	TRANSPORT. BILL CODE	SF/NON SF	DATE SHIPPED	EXTENDED VALUE																FMS CASE LINE ITEM ID	APPROPRIATION/ FUND CODE	ROUNDED \$ IND		
42	43		COUNTRY SV	OFFER & RELEASE	FREIGHT FORWARDER	CASE NUMBER										DOLLARS	CENTS CR	X																		
44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80



# Flow of Funds



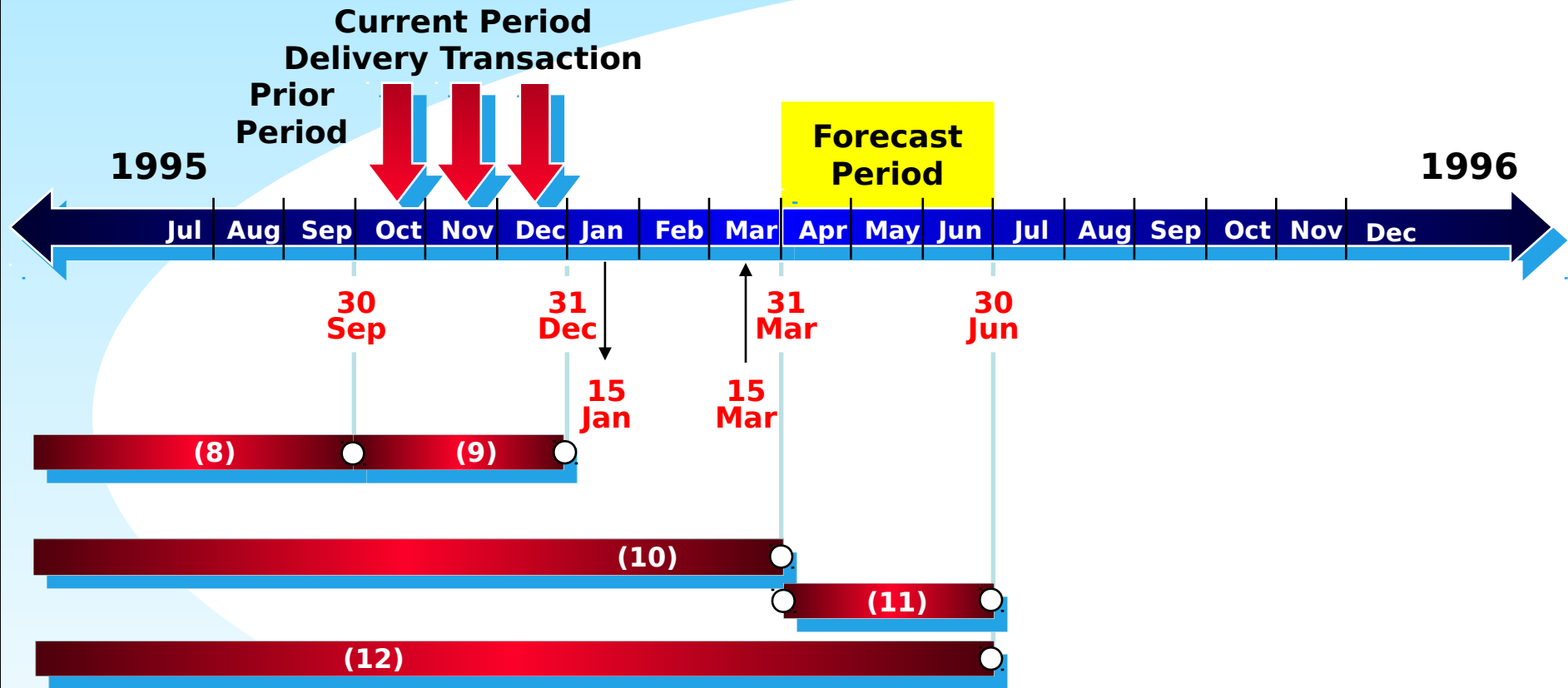


# ***FMS Billing Statements and Reports***

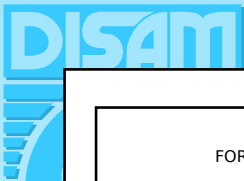
- **DD Form 645**
  - **Billing statement (quarterly)**
  - **Final statement of account**
- **FMS delivery listing**
- **FMS reply listing to customer requests for adjustments**
- **FMS financial forecast**
- **Holding account statement**
- **ACC suspense account**



# Integration of DD-645 and Standard Billing Cycle







FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA DEPARTMENT OF DEFENSE/					
1. TO: <b>1</b>		2. THIS IS A BILLING STATEMENT BASED ON CASH REQUIREMENTS. PAYMENT IS DUE BY: <b>2</b>		3. STATEMENT NUMBER <b>3</b>		4. FOR PERIOD ENDED: <b>4</b>		5. DATE PREPARED <b>5</b>	
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS					
6. CASE & RSN	7. TOTAL VALUE ORDERED	8. CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	9. CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	10. CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE	
<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	
REVIEW PROCESS				EXPLANATORY NOTES					
SIGNATURE  ANALYST: _____  BRANCH CHIEF: _____  QUALITY ASSURANCE: _____				NOTE A: THE TERMS OF THE U.S. PUBLIC LAW, THE ARMS EXPORT CONTROL ACT, REQUIRE THE DEPARTMENT OF DEFENSE TO COLLECT PAYMENTS FROM FOREIGN PURCHASERS IN ADVANCE OF THE TIME THAT DOD INCURS COSTS ON THE PURCHASER'S BEHALF. THEREFORE, THIS BILLING STATEMENT REQUESTS PAYMENT OF MONIES THAT ARE ANTICIPATED TO BE EXPENDED BETWEEN THE TIME THIS BILLING STATEMENT IS PAID AND THE FOLLOWING BILLING STATEMENT IS PAID. _____ * DENOTES CASES CLOSED DURING THE CURRENT PERIOD.					
AUTHENTICATION				PAYMENT INSTRUCTIONS					
SIGNATURE  OFFICE OF THE DIRECTOR SECURITY ASSISTANCE ACCOUNTING CENTER				YOUR PAYMENTS MAY BE MADE USING EITHER CHECKS OR WIRE TRANSFER PROCEDURES. WIRE TRANSFERS ARE PREFERRED AND SHOULD BE SENT TO THE FEDERAL RESERVE BANK OF NEW YORK, WITH THE FOLLOWING IDENTIFICATION: TREAS NYC (3801), DFAS-DE/F, ABA #021030004. CHECK MADE PAYABLE TO - FINANCE AND ACCOUNTING OFFICER, SHOULD BE IN U.S. DOLLARS AND FORWARDED DIRECTLY TO: DFAS - DENVER CENTER/CAFC (SAAC), P. O. BOX 20030. DENVER, CO 80220-0030 USA					



# DD645

FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA					
				DEPARTMENT OF THE DEFENSE/AIR FORCE					
1. TO: BANDARIA AIR FORCE		2. THIS IS A BILLING STATEMENT BASED ON CASH REQUIREMENTS. PAYMENT IS DUE BY: 01 MAR 15		3. STATEMENT NUMBER 00-12DD		4. FOR PERIOD ENDED: 00 DEC 31		5. DATE PREPARED 01 JAN 15	
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS					
6. CASE & ITM NBR	7. TOTAL VALUE ORDERED	8. CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	9. CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	10. CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE	
YCY 001	68,706,859.00 HUMDINGER MISSILES	8,688,922.00	3,998,786.00	12,687,708.00					
002	5,091,281.00 HUMDINGER AIR VEHICLE	220,000.00	845,000.00	1,065,000.00					
003	388,309.00 LAUNCHERS	74,300.00	77,680.00	151,980.00					
004	483,601.00 TRAINING MISSILES	41,800.00	22,200.00	64,000.00					
005	102,985.00 CNU CONTAINERS	23,186.00	10,260.00	33,446.00					
006	1,590,840.00 SUPPORT EQUIPMENT	468,054.00	245,920.00	713,974.00					
007	2,005,422.00 MISSILE SPARE PARTS	509,491.72	157,545.92	667,032.10					
008	12,000.00 PUBLICATIONS	3,600.76	947.37	4,548.13					
009	657,509.00 TECH ASSISTANCE	187,859.72	24,270.54	212,130.26					
010	646,706.00 R-R MISSILES AND SPT								



# DD645

FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA					
				DEPARTMENT OF THE DEFENSE/AIR FORCE					
1. TO: BANDARIA AIR FORCE		2. THIS IS A BILLING STATEMENT BASED ON CASH REQUIREMENTS. PAYMENT IS DUE BY: 01 MAR 15		3. STATEMENT NUMBER 00-12DD		4. FOR PERIOD ENDED: 00 DEC 31		5. DATE PREPARED: 01 JAN 15	
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS					
6. CASE & ITEM NUMBER CY	7. TOTAL VALUE ORDERED	8. CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	9. CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	10. CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE	
011	1,386,411.00	513,194.96	52,215.24	565,410.20					
	PGRM MGMT								
012	199,955.00	140,000.00		140,000.00					
	TECH DATA PKG								
999	321,3000								
	TRAINING								
L6A	2,376,460.00	345,670.38	161,711.34	507,381.72					
	ADMINISTRATIVE FEE								
L00	31,202.00								
	ACCESSORIAL COSTS								
WIP	WORK IN PROCESS			5,122,784.97					
CASE TOTAL	84,000,570.00	11,216,079.54	5,596,536.41	21,935,400.38	5,175,000.00	27,110,400.00	21,935,400.38	5,175,000.00	

DD FORM 645 (NOV 87) PREVIOUS EDITIONS ARE OBSOLETE (Q)



# FMS Delivery Listing (p. 1 of 3)

PAGE 1

COUNTRY: BANDARIA  
SERVICE: ARMY

FOR PERIOD ENDED: 92 DEC 31  
DATE PREPARED: 93 JAN 15

STATEMENT NUMBER: 92-12NA  
CASE: URK RSN 002

U.S. DEPT/AGENCY: ARMY

## ARTICLES/SERVICES TRANSACTIONS

DOC ID	PRC RIC	STOCK CD	UNIT NUMBER	UNIT ISSUE	QUAN SHIP	DOCUMENT NUMBER	DOC FX	SUPL ADRS	M S	ARC	ACTG DATE	TBC	DSC	SHIP DATE	UNIT PRICE	EXTENDED VALUE
FKB	B14	A	C0001BDURK	EA	5CR	BBDC4421009004		BZ2URK	G	CB	9210	A	AB	2140	70.00	350.00CR
FKA	B14	E	493000926123400EA		10	BBDC4421009001		BZ2URK	F		9210	G	AB	2250	120.55	125.50
FKA	S9C	A	473000016267800EA		2	BBDC4421009009A		BZ2URK	G		9211	A	AB	2280	50.00	<u>100.00</u>
RSN/DSC SUBTOTAL 955.50																
FKA	B14	A	CONTRACT ADMXX		1	BBD00000005330		URK			9211	D	BD	2330	2.96	<u>2.96</u>
RSN/DSC SUBTOTAL 2.96																
FKA	B14	A	493000928111100EA		1	BBDC4421009010		BZ2URK	B		9211	D	DC	2281	197.04	<u>197.04</u>
RSN/DSC SUBTOTAL 197.0																



# ***FMS Delivery Listing*** (p. 2 of 3)

## ADMINISTRATIVE/ ACCESSORIAL TRANSACTIONS

PAGE 2

DOC ID	GENERIC CODE	COST DISCRIPTION	DOCUMENT NUMBER	ARC	ACTG DATE	TYPE OF COST	PERCENT FACTOR	TOTAL VALUE APPLIED	ADMIN/ACSRL COST
FKC	L6A	ADMIN COSTS	BBD		9210	COMPUTED	3.00	1205.50	36.17
FKC	L6A	ADMIN COSTS	BBD		9211	COMPUTED	3.00	300.00	9.00
FKD	L6A	ADMIN COSTS	BBD		9210	COMPUTED	3.00	350.00CR	10.50CR
FKE	LIC	AIR TRANS	BBD		9210	COMPUTED	6.00	1205.50	72.33
FKE	LIF	OS INLAND	BBD		9210	COMPUTED	3.00	1205.50	36.17
FKE	L2B	CONUS PORT	BBD		9210	COMPUTED	2.50	1205.50	30.14
FKE	L2C	OS PORT	BBD		9210	COMPUTED	1.00	1205.50	12.06



# FMS Reply Listing to Customer Requests for Adjustments

PAGE 1

FOR PERIOD ENDED: 92 DEC 31  
DATE PREPARED 93 JAN 15

COUNTRY: BANDARIA  
SERVICE: ARMY

STATEMENT NUMBER: 9212NA

DOC ID	PRC RIC	ROD CD	SERIAL* NUMBER	UNIT ISSUE	QUAN SHIP	DOCUMENT** NUMBER	DO C SFX	SUPL ADRS	M S	ARC***	ACTG DATE	TBC	DSC	PRICE	EXTENDED VALUE
											ITM CASE: URK		NBR: OO2		
FKG	B14	A	C0001BDURK	EA	5CR	BBDC4421009004	BZ2URK	G	CB	9210	A	AB	70.00	350.00	CR

## NOTES:

- \* EXTRACTED FROM THE STOCK NUMBER DATA FIELD OF THE RELATED FLA/FKB TRANSACTION IN THE FMS DELIVERY LISTING.
- \*\* NOTE THAT THE DOCUMENT NUMBER IN THE FMS REPLY LISTING AND THE FMS DELIVERY LISTING ARE IDENTICAL AND CAN BE IDENTIFIED BACK TO THE INITIAL REQUIREMENT.
- \*\*\* ARC MAY BE THE RESULT OF NON-ROD ADJUSTMENTS. FMS CUSTOMER SHOULD REVIEW THE LINE ENTRY IN ITS ENTIRETY TO DETERMINE IF A REPLY (ARC) IS BEING PROVIDED WITHOUT IDENTIFICATION BY ROD SERIAL NUMBER.



# ***FMS Financial Forecast***

U.S. DEPT/AGENCY: ARMY

PAGE 1

COUNTRY: BANDARIA

SERVICE: ARMY

CASE	FORECAST BY QUARTER 1ST 8TH 15TH	2ND 9TH 16TH	3RD 10TH 17TH	4TH 11TH 18TH	5TH 12TH 18TH	6TH 13TH	7TH 14TH
CXY	12000 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0	0 0
URK	7000 0 0	5000 0 0	1725 0 0	0 0 0	0 0 0	0 0	0 0
TOTAL STATEMENT	19000 0 0	5000 0 0	1725 0 0	0 0 0	0 0 0	0 0	0 0



## ***Holding Account Bandarian Air Force 1BD for Calendar Quarter Ended 31 Dec 93***

<u><b>Date</b></u>	<u><b>Detail</b></u>	<u><b>Deposits</b></u>	<u><b>Withdrawals</b></u>	<u><b>Balance</b></u>
<b>30 Sep 93</b>	Balance brought forward			\$3,000.00
<b>25 Oct 93</b>	Funds transfered to 1BB Holding Account		\$200.00	
<b>14 Nov 93</b>	Excess funds from closed case P-JAC	\$90.00		
<b>29 Dec 93</b>	Crossleveling transactions per letter, Embassy of Bandaria 15 Sep 93 from cases:			
	B-KAA	\$50.00		
	D-KAB	\$75.00		
<b>29 Dec 93</b>	Crossleveling transactions per letter, Embassy of Bandaria 15 Sep 93 to cases:			
	D-KBU		\$100.00	
	D-KBW		\$25.00	
<b>30 Dec 93</b>	30 Dec 93			\$2,890.00





# Sample Accelerated Case Closure Suspense Account

DATE: 95/07/31  
PAGE: 102

CC	IA	CASE	NEW CLSR	DT-CLSR	PREV QTR BAL (9503)	CURR QTR ACTIVITY	CURR QTR BAL (9506)
IA - D							
BD	D	CBT		95090	5,574.76	0.00	5,574.76
BD	D	GAX		94350	8,566.65	0.00	8,566.65
BD	D	GBF		94322	16,284.51	0.00	16,284.51
BD	D	GBJ		94318	343.95	0.00	343.95
BD	D	GBU	*	95156	0.00	1,677.24	1,677.24
BD	D	MBL		92050	1,781.70-	0.00	1,781.70-
SUBTOTAL BY IA					28,988.17	1,677.24	30,665.41

NOTE: ASTERICK (\*) IN THE NEW CLSR COLUMN MEANS  
THE CASE WAS CLOSED IN THE CURRENT QTR  
RETRIVAL: BRNCHULO  
BRANCH: IBE



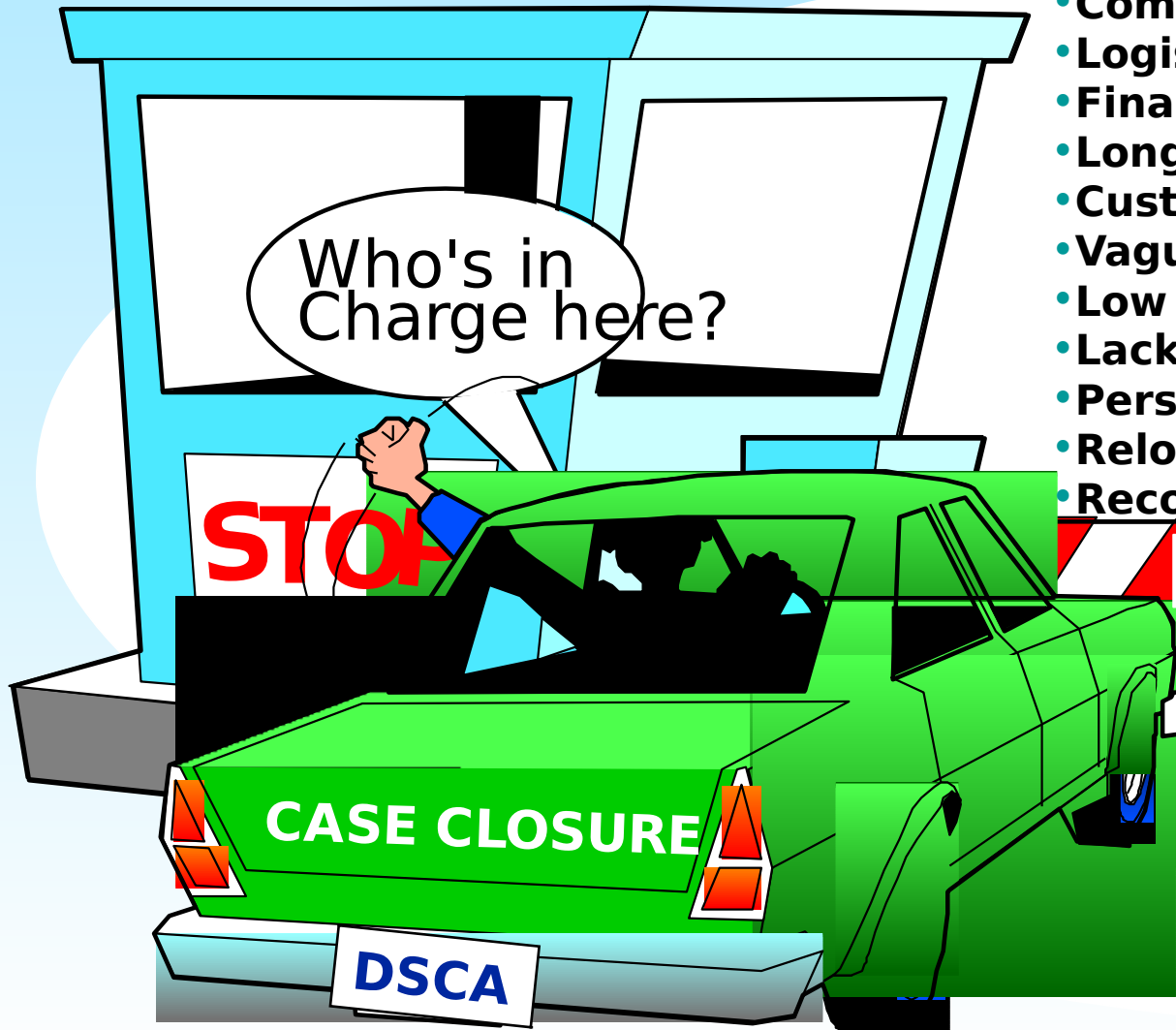
# ***Definition of a 'Closed Case'***

## **An FMS case on which**

- **All material/services have been delivered/performed**
- **All financial transactions, including collections, and reconciliations have been completed**
- **The customer has received a final statement of account**



# ***Case Closure Inhibitors***



- Competing Priorities
- Logistics Reconciliation
- Financial Reconciliation
- Long Running Contracts
- Customer Resistance
- Vague Policy & Procedures
- Low Dollar Value Variances
- Lack of Emphasis
- Personnel Turnover
- Relocations/Consolidations
- Records

**INHIBITORS**



# ***Case Closure***

- **Non-Accelerated Case Closure**
  - No new orders, no discrepancies, no open requisitions
  - 100% shipped/billed
  - All contracts must be closed
- **Accelerated Case Closure (ACC) 1992**
  - Cases closed 2 years after “supply complete”
  - Country must agree to participate (FMF countries automatically included)
  - Identify ULO “Unliquidated Obligations”
  - ULO into ACC suspense account
- **Enhanced Accelerated Case Closure (EACC) 1995**
  - DSCA-Close the Case!!!!!!!